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SUBJECT: ORTEGA FOLLOWS CHAVEZ' LEAD IN CONFRONTING U.S.

REF: CARACAS 0584

Classified By: Ambassador Paul Trivelli for reason 1.4(d)

- 11. (C) Summary: Venezuelan President Hugo Chavez traveled to Nicaragua on March 11 to use the country as a platform to criticize the United States and the Central American leg of President Bush's recent trip. Chavez' trips to Nicaragua have inspired President Daniel Ortega to abandon his pre-election message of "peace and reconciliation" and jump on the anti-U.S. bandwagon. Ortega's reversion to confrontational 1980s-style rhetoric has generated concern among moderate Nicaraguans, who had vainly hoped that he had turned a new leaf. End Summary.
- 12. (U) Venezuelan President Hugo Chavez hastily arranged a March 11 visit to Nicaragua to coincide with President Bush's trip to Guatemala. Chavez and Nicaraguan President Daniel Ortega traveled to Leon to pay homage to legendary poet Ruben Dario before launching into a stereophonic anti-U.S. tirade. Chavez criticized Bush's trip to Latin America as "ridiculous" and labeled him a "political cadaver." Chavez urged Ortega to copy the Venezuelan system of "21st century socialism" by establishing citizens' councils and warned him not to allow the "right-wing opposition... supported by the Empire" to derail the Sandinista project. The Venezuelan president promised that Nicaragua would no longer be subject to the "ghastly" influence of the IMF and pledged to build a \$2.5 billion oil refinery in Leon.
- 13. (U) Ortega followed Chavez' pronouncements by demanding that the U.S. withdraw troops from Iraq and Afghanistan and cease construction on the southern border wall. If the U.S. truly had good intentions regarding Latin America, Ortega claimed, it would start by paying the \$17 billion owed to Nicaragua for mining Corinto harbor and helping to finance the contra rebels. (Note: The Chamorro government renounced all claims and the \$17 billion figure is a Sandinista creation that was never stipulated by The Hague or any other judgment. End Note.)
- 14. (SBU) Chavez' visit was widely criticized by the Nicaraguan opposition and the press. Opposition leaders from the ALN, PLC, and MRS accused Chavez of interventionism and scolded Ortega for letting Chavez use Nicaragua as a platform to criticize the U.S. The newspapers lampooned Ortega as a puppet of Chavez and a slave to Venezuelan oil wealth and ran several negative editorials. Several contacts indicated that moderate Nicaraguans are increasingly uncomfortable with Ortega's attacks on the United States. (septel).
- ¶5. (U) The Ortega/Chavez trip to Dario's tomb also re-ignited

a debate over two original manuscripts of Dario's poems that Ortega bequeathed to Chavez during a February 23 trip to Caracas. At the time, Ortega was roundly condemned for giving away valuable artifacts of Nicaragua's cultural heritage -- in a poll conducted by "La Prensa," 92 percent of respondents considered that Ortega was wrong to gift the manuscripts to Chavez. Many hoped (in vain) that Chavez would use the occasion of the homage to Dario to return the manuscripts to Nicaragua.

16. (C) Comment: Ortega continues to struggle with the "dual discourse" demanded by most of Nicaraguan society and the moderate members of his party and the extremists (and paymaster Chavez). He appears, nevertheless, to be much more comfortable in the role of left-wing populist ideologue than playing a responsible head of state. He is animated, sometimes close to euphoric, during his encounters with Chavez, but mumbles listlessly through prepared remarks when meeting with USG officials. Ortega's attitudinal shifts may well portend the future direction of Nicaraguan foreign policy unless the FSLN moderates who truly comprehend the benefits of a positive relationship with the U.S. can reign him in.